



June 28, 2012

His Worship Pat Fiacco, Mayor of Regina  
2476 Victoria Avenue  
PO Box 1790  
Regina, SK S4P 3C8

Dear Mayor Fiacco:

On behalf of the Province and Premier Wall, I am responding to your letter of April 24, 2012 and your funding proposal for the City's Regina Revitalization Initiative (RRI). I want to thank you for a carefully thought-out proposal and for the work of your staff in answering the various questions that we have raised as we completed our due diligence.

The Provincial Government respectfully declines your request for a provincial funding commitment of \$230 million for the various projects forming the RRI. Given both the number of projects and the extended timelines for these projects, we believe that the projects need to be separated and dealt with individually as the City progresses with the overall initiative.

However, the government is prepared to provide funding for the development of a new stadium. If the City and its partners were to proceed with a new stadium, we would wish to see it designed as "roof-ready," to allow for the possible addition of a roof at some point in the future.

Provincial funding for this project would be provided in a manner similar to the way the province has funded other recreational facilities throughout the province. Specifically, we are prepared to provide grant funding up to 30 per cent of the project cost to a cap of \$80 million as part of an overall cost-sharing formula to be negotiated with the City and any other partners to the venture.

We are also prepared to provide financing for a portion of the project in the form of a loan at the government cost of capital financing, with agreed upon repayment terms, including interest. As part of negotiating a funding partnership, we may also raise other issues or conditions for discussion.

The Province will cap its participation in the project at the funding levels outlined above. Any capital cost overruns will be the responsibility of the other partners in the facility. Also, the Province will not provide any operating funding and therefore the financial model for the stadium will need to demonstrate self-sufficiency.

We look forward to discussions with the City of Regina to finalize an agreement on a stadium project that will benefit the people of Saskatchewan.

Sincerely,

Ken Cheveldayoff